**Violation of norms by bank of Rajasthan Limited**

2815. SHRIMATI BASANTI SARMA: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of reports of Bank of Rajasthan Limited indulging in large scale "Bill discounting" in violation of norms and conditions laid down by the Reserve Bank of India;

(b) if so, whether the Reserve Bank has made any investigation into the matter or taken any other action; and

(c) what is total sum involved and what is its end use?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) to (c) Reserve Bank of India (RBI) have reported that during scrutiny of certain transactions regarding opening of fraudulent letters of credit (LCs), it was observed that Bank of Rajasthan had discounted eight LCs aggregating a sum of Rs. 852.91 lacs, *prima facie* in violation of RBI instructions on the subject. RBI are examining the undesirable features of these transactions.

**Incentives to NRIs**

2816. SHRI MATANG SING: Will the Minister of FINANCE be pleased to state;

(a) what are the details of various incentives provided to NRIs by Government during the last one year;

(b) what has been the trends in NR (E) RA and FCNRA accounts during 1990-91 and 1991-92; and

(c) what is the manner in which the NRIs have contributed to improve country's balance of payments position.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) A list as statement is appended. (*See* below).

(b) while there has been an increasing trend in NR(E) RA account, the trend of FCNRA accounts has been erratic.

(c) NRIs have contributed significantly to the country's balance of payments position through inward remittances, bank deposits, investments and contribution to India Development Bonds and other schemes.

**Statement**

*List of incentives provided to NRIs from July, 1991.*

1. NRIs and their OCBs are now allowed to invest upto 100 per cent on repatriation basis in high priority industry. A procedure of automatic clearance of such proposals has also been made.
2. The ceiling of 5 per cent on overall NRI portfolio investment in an Indian company has been raised to 24 percent provided the company passes a resolution to this effect.
3. NRI investment upto 100 per cent is now allowed on non-repatriation basis in the previously forbidden areas of real estate housing and infrastructure.
4. Foreign citizen of Indian origin have been permitted to acquire house property without the permission of RBI by granting them exemption under Section 31 of FERA.
5. Hitherto, NRIs were required to declare the foreign exchange assets held abroad on return to India. This requirement has been dispensed with in case of persons who have stayed abroad at least for a minimum period of one year.
6. NRIs returning to India for good will be allowed to maintain foreign currency resident accounts with Indian banks in lieu of existing RIFEE scheme.
7. NRIs have been allowed to import gold upto 5 kg. on payment of duty of Rs. 220 per 10 gms.
8. A new Non-Resident (Non-Repatriable) Rupee Deposit scheme has been introduced under which term deposits can be made by NRIs on attractive interest rates, to be determined by the banks themselves. Both principal and interest are, however, Non-repatriable.